

May 4, 2021

The Honorable Marvin Abney
RI House Finance Committee
82 Smith Street
Providence, RI 02903

Re: H.6249

Dear Chairman Abney:

On behalf of the RI Hospitality Association, I write in support of H.6249, which provides an incentive for people returning to work.

As the hospitality industry in Rhode Island approaches the long-awaited reopening date on May 28th, we are faced with a new crisis – an unprecedented workforce shortage. This is not just a Rhode Island problem – across the country, restaurants and hotels are struggling to find employees, with some calling it the “new pandemic.”

There are a variety of reasons for this new crisis. Many people permanently left the hospitality industry over the last year due to the unpredictability of the reopening strategy. Childcare and transportation issues, which existed pre-COVID, have only been heightened due to the pandemic. A significant number of employees also cite the additional \$300 unemployment benefit from the federal government as a barrier to returning to work.

H.6249 is simple – it allows employees to keep claiming benefits while they return to work. Partial unemployment insurance can act as an encouragement to re-enter the workforce. It helps these employees avoid what is known as the “benefit cliff,” where the “all or nothing” approach to these benefits can be triggered by earning even just a dollar too much.


This approach must be done in concert with other efforts to get Rhode Island back to work. RIHA has advocated that DLT reinstate the “work search,” requirement, which requires people collecting unemployment to search for work and we are thankful that DLT has announced that this will happen in May. We also need employers to report employees who refuse to return to work, and for these claims to be handled in an expediated way by DLT.


This proposal is an innovative approach to solving this problem and we hope it becomes a model for other states that are grappling with this same issue. Our industry has come too far to have our reopening paralyzed by a workforce shortage, particularly when so many people are currently unemployed.


If you have any questions, please do not hesitate to contact me at sarah@rihospitality.org or 401-223-1120.

Sincerely,

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